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 THE LARYNGEAL MASK COMPANY LTD.
 and LMA NORTH AMERICA, INC.

**IN THE UNITED STATES DISTRICT COURT
 FOR THE SOUTHERN DISTRICT OF CALIFORNIA**

THE LARYNGEAL MASK COMPANY
 LTD. and LMA NORTH AMERICA, INC.,

Plaintiffs,

v.

AMBU A/S, AMBU INC., AMBU LTD.,
 and AMBU SDN. BHD.,

Defendants.

Civil Action No. 07 CV 1988 DMS (NLS)

**PLAINTIFFS' OPPOSITION TO AMBU'S
 MOTION FOR CLARIFICATION OF
 ORDER GRANTING PLAINTIFFS'
 MOTION TO DISQUALIFY FINNEGAN
 HENDERSON FARABOW GARRETT &
 DUNNER, LLP AS DEFENDANTS'
 COUNSEL**

Date: April 18, 2008

Time: 1:30 pm

Courtroom 10, 2nd Floor

Honorable Dana M. Sabraw

AMBU INC., AMBU A/S, AMBU LTD., and
 AMBU SDN.BHD.

Counterclaimants,

v.

THE LARYNGEAL MASK COMPANY
 LTD. and LMA NORTH AMERICA, INC.,

Counter-Defendants.

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1 Plaintiffs The Laryngeal Mask Company Ltd. and LMA North America, Inc.
2 (collectively, "LMA") respectfully oppose the motion of Defendants Ambu A/S, Ambu Inc.,
3 Ambu Ltd., and Ambu Sdn. Bhd. (collectively, "Ambu") to clarify this Court's February 25,
4 2008 Order disqualifying Finnegan Henderson Farabow Garrett & Dunner, LLP ("Finnegan")
5 as Ambu's counsel (the "Disqualification Order" or "Order").

6 **I. INTRODUCTION**

7 This Court held that Finnegan obtained LMA's "confidential information concerning
8 the subjects of venue, claim construction in relation to the theory of their case, and
9 settlement," and provided LMA with "strategic legal advice about how to proceed on those
10 topics" – all with respect to the same patent-infringement case in which Finnegan later
11 appeared for LMA's opponent, Ambu. Order at 10. Because "the risk of inadvertent
12 disclosure of confidential information" is "too great" (*id.* at 12), the Court disqualified
13 Finnegan (*id.*) and ordered the firm not to "represent or assist" Ambu "with this lawsuit" or
14 "consult or share work product with new counsel" (*id.* at 13).

15 Ambu's motion to turn over "prior art" and "client" documents marshaled by
16 Finnegan for use against LMA in this case is procedurally improper and would "risk [the]
17 inadvertent disclosure of confidential information" (Order at 12) to Ambu's successor
18 counsel, Fenwick & West LLP ("Fenwick"). *First*, as a threshold procedural matter, Ambu
19 waived any right to challenge the scope of the Disqualification Order by failing to present the
20 argument during the disqualification proceedings. *Second*, Ambu's motion is in substance an
21 application for reconsideration that identifies no intervening change in facts or law, in plain
22 violation of Local Civil Rule 7.1(i)(1) and Ninth Circuit law. *Third*, and most important
23 substantively, Finnegan's prior art and client documents are as infected with LMA's
24 confidential information as the Finnegan lawyers themselves, since the Finnegan lawyers'
25 selection of prior art and client documents reflects their professional judgment of which
26 documents support Ambu's claim constructions and other defenses in this case. Courts
27 consistently quarantine the work product of law firms disqualified because their attorneys
28 were exposed to the opposing party's confidential information. *See infra* pp. 8-9. Even

1 “Ambu fully understands . . . the Court’s obligation to prevent the *risk* of disclosure or use by
2 Ambu’s counsel of LMA’s confidential information obtained in the pre-litigation meeting.”
3 Mem. 7 (emphasis added). Ambu’s arguments that prior art is “inherently public” (*id.* at 2)
4 and that client documents were “provided to” Finnegan (*id.*) ignores the role of Finnegan in
5 exercising its professional judgment to identify the prior art against LMA’s patent and
6 marshal the client documents in opposition to LMA’s claim. As set forth below, the pertinent
7 authorities establish that Finnegan’s collection of prior art and database of selected client
8 documents constitute core opinion work product to which Ambu is not entitled.

9 Ambu tries to justify its belated reconsideration request with factually unsupported
10 claims that Ambu is an “innocent” client. Even if true (and it may not be, *see infra* § III.F),
11 that does not diminish or outweigh LMA’s indisputable innocence in this affair and its rights
12 as a former Finnegan client to absolute protection of its confidential information. Ambu now
13 asks the Court to second-guess its decision and enter a gray area risking all the protections
14 afforded LMA by the Disqualification Order. Ambu asks that LMA be placed at such risk
15 merely to avoid some possible duplication of effort producing documents and searching the
16 prior art. The relatively minor cost savings sought by Ambu does not approach justifying the
17 significant risks LMA would face. Ambu’s motion should be denied in its entirety.

18 **II. FACTUAL BACKGROUND**

19 LMA commenced this patent-infringement action on October 15, 2007. Dkt. #1. On
20 Friday, October 26, 2007, Finnegan first called to announce that it would represent Ambu and
21 would like an extension of time to answer or otherwise respond to the complaint. Because
22 LMA had previously provided confidential information to Finnegan and obtained legal advice
23 from Finnegan in this same case, LMA’s counsel objected to Finnegan’s representation the
24 next business day, on Monday, October 29, 2007, and requested that Finnegan withdraw as
25 Ambu’s counsel. Ambu and Finnegan rejected LMA’s request, however, and on November
26 29 and December 3, 2007, Finnegan formally appeared in this lawsuit for Ambu. Dkt. ##11-
27 14. On December 6, 2007, LMA moved to disqualify Finnegan. Dkt. #17. Defying LMA’s
28 requests that Finnegan not work on the case pending the Court’s resolution of the

1 disqualification motion, and ignoring LMA's agreement to extensions and offers of additional
2 extensions, Ambu answered the complaint and filed invalidity and non-infringement
3 counterclaims on December 5, 2007 and January 30, 2008. Dkt. ##15, 39.

4 On February 25, 2008, this Court disqualified Finnegan. Dkt. #41. The Court found
5 that in a preliminary consultation, LMA "disclosed actual confidential information" to two
6 Finnegan attorneys about this very patent litigation and received legal advice in return. Order
7 at 10. Those circumstances "created an implied or temporary attorney-client relationship that
8 is sufficient to treat [LMA] as former clients of the Finnegan law firm." *Id.* As a result, the
9 two Finnegan attorneys were "automatically disqualified from representing [Ambu] in the
10 same litigation." *Id.* The Court rejected Ambu's attempt to avoid disqualification of other
11 Finnegan lawyers by erection of an ethical screen, holding that California does not permit
12 such screens in side-switching cases and noting that in any event, the screen in this instance
13 was deficient. *Id.* at 11-12 & n.8. As relief, the Court instructed Ambu to "promptly secure
14 new counsel" and ordered that Finnegan "shall not represent or assist [Ambu] with this
15 lawsuit" and "shall not consult or share work product with new counsel." *Id.* at 12-13.

16 The Disqualification Order requested "the Magistrate Judge to schedule [the Early
17 Neutral Evaluation Conference ("ENE")] on this matter in approximately 30 days." Order at
18 13. The Magistrate Judge scheduled the ENE for April 14, 2008, approximately 50 days after
19 the Disqualification Order. Dkt. #42. On March 17, 2008, Ambu filed papers substituting
20 Fenwick & West LLP ("Fenwick") as its new counsel in this case. On March 19, 2008, Ambu
21 filed a motion to continue the ENE for an additional 90 days, to June 16, 2008, to give
22 Fenwick "adequate time to analyze the patents-in-suit and to investigate Ambu's claims and
23 defenses." Dkt. #44, at 2-3. On March 25, 2008, the Magistrate Judge granted Ambu's
24 request for a continuance and rescheduled the ENE Conference to June 10, 2008 – almost the
25 full 90 days of requested preparation time. Dkt. #47.

26 On March 19, 2008, the same day that it asked to continue the ENE, Ambu filed this
27 motion to "clarify" the Disqualification Order, requesting the Court to allow Fenwick to
28 obtain from Finnegan "copies of all prior art documents in Finnegan's possession" and

“copies of all client documents provided to Finnegan for this case.” Mem. 8. Ambu defines “prior art documents” as “all third party documents in Finnegan’s possession relating to prior art” and asserts that “[s]uch material *may* include” (but is apparently not limited to) “copies of patents, of third party product literature, or of scholarly publications.” *Id.* at 2 (emphasis added). Ambu broadly defines client documents as “all Ambu client documents provided to Finnegan for this case.” *Id.* at 1.

III. ARGUMENT

A. Ambu Waived Any Right To Challenge The Scope Of The Disqualification Order

Early in the disqualification proceedings, LMA recognized that disqualifying Finnegan would accomplish little towards protecting its confidential information if Finnegan were not also barred from sharing that information, either directly or in the form of tainted work-product, with Ambu’s new counsel. Accordingly, LMA submitted a proposed order to this Court prohibiting Finnegan not only from representing Ambu in this action, but also from:

directly or *indirectly assisting Ambu* in connection with this lawsuit or any of the issues raised in this lawsuit; *consulting with any Ambu counsel* regarding this lawsuit or any of the issues raised in this lawsuit; or *sharing any of its work product with any Ambu counsel* in this lawsuit.

LMA Proposed Order at 1 (emphasis added).

LMA reiterated its request for an order “forbidding Finnegan from consulting with Ambu’s new counsel or sharing any of its work product with Ambu’s new counsel” in both its opening (Dkt. #17, at 19) and reply briefs (Dkt. #28, at 10). Despite LMA’s repeated and explicit requests that Finnegan not be permitted to assist new counsel as Ambu now proposes, Ambu never once challenged the scope of the proposed disqualification order, or raised concerns about the clarity of its terms.

The Disqualification Order entered by the court closely tracks LMA’s proposed order: “Finnegan Henderson Farabow Garrett & Dunner, LLP shall not represent or assist Defendants with this lawsuit and *shall not consult or share work product with new counsel.*”

Order at 13 (emphasis added). Ambu had every opportunity to challenge the scope of LMA's proposed order in its opposition papers, but did not. It is too late to do so now. A motion for reconsideration "may not be used to raise arguments or present evidence for the first time when they could reasonably have been raised earlier in the litigation." *Carroll v. Nakatini*, 342 F.3d 934, 945 (9th Cir. 2003). Ambu filed multiple sets of court papers, including an Opposition to LMA's Motion to Disqualify (Dkt. #23) and an *Ex Parte* Application for Leave to Respond to Matters Raised for the First Time in Reply (Dkt. #32), in which it failed to raise its arguments regarding the scope of the proposed disqualification order.

In the present motion, Ambu provides no justification for failing to raise its objections to the proposed order in a timely fashion. Thus, Ambu has waived its right to challenge the scope of the Disqualification Order.

B. Ambu's "Clarification" Request Is In Substance An Improper Motion For Reconsideration

Although styled as a motion for "clarification," Ambu admits that the Court's Order is unambiguous. *See* Mem. 3, 4 ("literal reading" of Order bars turnover). Ambu does not think that the Court's Order is unclear; it thinks that it is wrong. In particular, Ambu requests reconsideration of the work-product quarantine requested by LMA in its opening memorandum (Dkt. #17, at 19), repeated by LMA in its reply (Dkt. #28, at 10), and ordered by the Court on February 25 (Order at 13). Ambu's motion is, in substance, an application for reconsideration. As such, it is governed by Local Civil Rule 7.1(i)(1) and relevant Ninth Circuit law. *See Brooks v. Alameida*, No. 04CV2069-H(CAB), 2006 WL 3068855, at *1 (S.D. Cal. Oct. 11, 2006) ("Motions for reconsideration are governed by Fed. R. Civ. P. 60(b) and in this District, by Civil Local Rule 7.1(i)(1)-(2)."); *Khan v. Fasano*, 194 F. Supp. 2d 1134, 1135-36 (S.D. Cal. 2001) ("Under Federal Rule of Civil Procedure 59(e), 60(b) and Local Rule 7.1(i)(1), the Court may reconsider and relieve a party from a final order.").

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1 **1. Ambu Fails to Meet the Requirements of Local Civil Rule 7.1(i)**

2 Local Civil Rule 7.1(i)(1) requires applications for reconsideration to state by affidavit
3 “what new or different facts and circumstances are claimed to exist which did not exist, or
4 were not shown, upon such prior application.” CivLR 7.1(i)(1); *see also Dixon v. Robinson*,
5 Civil No. 07-0553 LAB (CAB), 2007 WL 2700732, at *1, n. 1 (S.D. Cal. Sept. 12, 2007)
6 (discussing Local Civil Rule 7.1(i)); *Aerus LLC v. Proteam, Inc.*, Civil No. 05-CV-1065-
7 B(WMC), 2007 WL 2317273, at *1-2 (S.D. Cal. Aug. 8, 2007) (same).

8 Ambu does not include any affidavit (or declaration) in support of its motion. Ambu
9 provides no affidavit on the volume of prior art or client documents it provided to Finnegan
10 or when it provided them. Ambu provides no affidavit attesting to intervening changes in
11 facts or law – because there are none. Application of Local Civil Rule 7.1(i)(1) is especially
12 appropriate here, because not only does Ambu improperly request reconsideration without
13 intervening change of fact or law, but it hints that it will do so again in the future. *See* Mem. 2
14 (“Ambu is not *at this time* asking for prior counsel’s analysis . . .”) (emphasis added).

15 **2. Ambu Does Not Provide Any New Facts to Support its Motion**

16 Ninth Circuit law firmly establishes that reconsideration is only appropriate “if the
17 district court (1) is presented with newly discovered evidence, (2) committed clear error or
18 the initial decision was manifestly unjust, or (3) if there is an intervening change in
19 controlling law.” *School Dist. No. 1J, Multnomah County, Oregon v. ACandS, Inc.*, 5 F.3d
20 1255, 1263 (9th Cir. 1993), *quoted in Asset Mktg. Sys. Ins. Serv., LLC, v. McLaughlin*, No.
21 06cv1176 JM(MCc), 2007 WL 3232507, at *1, n.1 (S.D. Cal. Nov. 1, 2007).

22 Ambu does not allege the Court’s Disqualification Order is manifestly unjust, or that
23 there has been an intervening change in controlling law. Thus, to meet the reconsideration
24 standard, Ambu must present new evidence. However, a “motion for reconsideration cannot
25 be based on evidence that could reasonably have been discovered prior to the court’s ruling
26 on the original motion.” *Yearous v. Pacificare of California*, No. 07-CV-0574-H (RBB),
27 2007 WL 2700672, at *1 (S.D. Cal. Sept. 12, 2007). Here, Ambu not only fails to identify
28 any new evidence discovered since the Disqualification Order, but instead relies on facts that

1 Ambu admits were known both to it and to Finnegan while the motion to disqualify was
2 pending. *See* Mem. 1 (Ambu seeks “firm copies of all Ambu documents *provided to*
3 *Finnegan for this case*”) (emphasis added).

4 Ambu premises its requested relief on vague allegations that “Finnegan *might* have
5 relevant and discoverable documents” (Mem. 2) necessary for Ambu’s new counsel to
6 prepare for the ENE Conference and comply with its discovery obligations (*id.* at 4). Yet,
7 Ambu ignores that Finnegan acquired these documents *before* the Court issued the
8 Disqualification Order – otherwise Ambu would have violated the Court’s Order. Thus, the
9 fact that Finnegan possessed these purported “relevant and discoverable documents” was
10 well-known to both Ambu (who gathered and sent the documents) and to Finnegan (who
11 received them and presumably requested them). At the time LMA filed its motion to
12 disqualify, Finnegan had represented Ambu in this matter for nearly a year. Order at 4. Ambu
13 was well aware that Finnegan possessed documents which reflected its work-product. LMA
14 surmised as much and expressly sought an order barring Finnegan from sharing its work
15 product with new counsel. Subsequently, Ambu has no new facts on which to challenge those
16 provisions of the Disqualification Order.¹

17 Nor should Ambu be permitted to address the scope of the Disqualification Order for
18 the first time in its reply brief, as it is Ambu’s burden as the movant to initially meet the
19 reconsideration standard. Moreover, LMA should not be forced to speculate as to how Ambu
20 might argue to meet the reconsideration standard, particularly since Ambu likely made the

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23 _____

24 ¹ Nor can Ambu claim that Finnegan did not fully represent Ambu’s interests during
25 the original briefing, and thus Ambu was unfairly prejudiced because this issue was somehow
26 overlooked. Ambu was represented in the disqualification motion not only by Finnegan, but
27 also by local San Diego counsel (who was not the subject of the disqualification motion).
28 Finnegan itself was represented by its own ethics counsel. In light of how heavily lawyered
the disqualification issue became, Ambu cannot credibly suggest that it could not foresee that
Finnegan might be disqualified. It chose only to challenge the proposed disqualification in its
entirety, and has no new facts justifying its choice to wait until now to address the specific
terms of the Order.

1 strategic decision during the disqualification proceedings to omit disclosure of Finnegan's
 2 substantial activities in preparing the case for almost a year. Such a disclosure would have
 3 supported LMA's contention that Finnegan's work product was likely tainted with
 4 confidential information supplied by LMA.

5 Ultimately, the Court's Order strikes the appropriate balance. If Finnegan generated
 6 considerable amounts of work product, then Ambu's new counsel is appropriately barred
 7 from accessing that work product because it is tainted by the confidential information
 8 provided to Finnegan by LMA. Conversely, if Finnegan generated very little work product,
 9 then Ambu's new counsel should have no problems replicating the work with little cost to
 10 Ambu. Accordingly, Ambu's motion should be denied.

11 **C. This Court Properly Barred Ambu's New Counsel From Using Any Work**
 12 **Product Marshaled By Finnegan For Use Against LMA**

13 Even if Ambu's request to "clarify" the Court's Order prohibiting access to
 14 Finnegan's work product should be considered on the merits, that request should be denied.
 15 *First*, where, as here, a law firm is disqualified because it received confidential information
 16 and gave legal advice to the opposing party in the very same case, the disqualified law firm
 17 should be prevented from sharing work product that could reflect that confidential
 18 information. *Second*, the prior art and client documents that Ambu wants Finnegan to provide
 19 to Fenwick are clearly work product that could reflect LMA's confidential information.
 20 *Third*, Ambu has failed to show any special circumstances necessitating access to Finnegan's
 21 work product. Ambu's turnover request should be rejected as a matter of law.

22 **1. A Law Firm that Is Disqualified Because It Received Confidential**
 23 **Information and Rendered Legal Advice to the Opposing Party in the**
 24 **Same Case Should Be Barred from Sharing Work Product with Successor**
 25 **Counsel**

26 Courts repeatedly hold that disqualified firms whose attorneys were exposed to the
 27 opposing party's confidential information may not turn over work product to successor
 28 counsel. In *Quark, Inc. v. Power Up Software Corp.*, 812 F. Supp. 178, 180 (D. Colo. 1992),

the court held that “no work-product may be turned over to successor counsel” where the Wilson, Sonsini law firm was disqualified because one of its attorneys had previously been at a firm that represented the plaintiff on related matters. The court stressed that “[m]erely disqualifying the individual Wilson, Sonsini attorneys would not prevent any confidential information that found its way into their work-product from being used against plaintiff by successor counsel.” *Id.* Although the court “recognize[d] that this ruling will work a financial hardship on defendants and deprive them of their longstanding counsel, there is no other way to ensure that information revealed to Durant in the [related] litigation will not be used against plaintiff here.” *Id.*; see *EZ Paints Corp. v. Padco, Inc.*, 746 F.2d 1459, 1460-64 (Fed. Cir. 1984) (affirming an order forbidding disqualified counsel from giving successor counsel any work product where law firm was disqualified “because two newly-joined members of that firm had immediately prior to that joinder been partners in a law firm representing appellee EZ Paints Corporation in this very litigation”); *Hallmark Cards, Inc. v. Hallmark Dodge, Inc.*, 616 F. Supp. 516, 521-22 (D. Mo. 1985) (disqualifying a side-switching lawyer’s firm, prohibiting the transfer of all work product, and withdrawing all motions filed by the disqualified firm after the date the side-switching lawyer appeared on the pleadings).²

A prohibition against the use of a disqualified firm’s work product is particularly warranted where, as here, disqualification is not based on a technical violation or a mere presumption that a law firm received relevant confidential information based on the movement of lawyers between firms, but on the fact that the law firm *actually received confidential information* and rendered legal advice to the opposing party *in the very same case*. Cf. *People ex rel. v. Speedee Oil Change Sys., Inc.*, 20 Cal. 4th 1135, 1147, 86 Cal. Rptr. 2d 816, 824 (1999) (“[t]he most egregious conflict of interest is representation of clients

² The cases in text are consistent with the typical practice of California courts to issue broad orders precluding disqualified counsel from assisting new counsel in any way. See *Cord v. Smith*, 338 F.2d 516, 526 (9th Cir. 1964) (directing that attorney who was disqualified on ground that he had represented defendant in matters relating to same transactions “shall not at any time, *directly or indirectly*, and whether as attorney of record or not, represent, counsel or advise plaintiff Calvin J. Smith in connection with said action”) (emphasis added).

1 whose interests are directly adverse in the same litigation"). Ambu argues that "[w]here
 2 disqualification is justified 'primarily . . . as a vindication of the integrity of the bar,' it is
 3 appropriate for the Court to allow disqualified counsel to turn over documents to new
 4 counsel, including work product." Mem. 6 (citing *Intern'l Bus. Mach. Corp. v. Levin*, 579
 5 F.2d 271, 283 (3d Cir. 1978)). But in *Levin*, the law firm was disqualified because it
 6 concurrently represented both parties on *unrelated* matters and there was no evidence that any
 7 confidences relating to the lawsuit had been disclosed. *Id.* at 283. By contrast, in this case,
 8 Finnegan received actual confidences relating to the issues, claims, and defenses in this
 9 lawsuit. Where a law firm obtained actual confidences in the same case, a strict rule against
 10 the sharing of work product is necessary to ensure protection of the client's confidences.

11 This conclusion is supported by the Court's rejection of an ethical screen in this case.
 12 Just as a prohibition against ethical screens is necessary to ensure protection of a former
 13 client's confidences where a law firm switched sides in the same case (*see* Order at 12), so
 14 too is a prohibition against the use of that firm's work product. "The risk of inadvertent
 15 disclosure of confidential information" is simply "too great and the appearance of divided
 16 loyalty is too strong" to allow access to work product in such a case. Order at 12. Such a
 17 clear-cut rule not only protects the client's confidences, but saves the client and the judicial
 18 system the additional time and expense of satellite litigation over new counsel's entitlement
 19 to particular pieces of work product. As is the case with the rule against ethical screens, "a
 20 prophylactic rule is the most effective measure to preserve the integrity of the judicial
 21 system." Order at 11.

22 **2. The Authorities Relied Upon By Ambu Do Not Support Access to**
 23 **Disqualified Counsel's Work Product on the Facts of This Case**

24 The decisions on which Ambu relies do not concern tainted work product and thus
 25 provide no authority for turning over the prior art and client documents marshaled by
 26 Finnegan for use against LMA in this case. Ambu's leading case, *First Wis. Mortgage Trust*
 27 *v. First Wis. Corp.*, 584 F.2d 201 (7th Cir. 1978) (en banc), was not a case where a law firm
 28 switched sides in the same case. Instead, it involved a law firm that had originally (and

properly) represented a trust and its related entities. *Id.* at 202. When it became evident that conflicting positions were developing between the trust and its related entities, the law firm recommended that the trust retain separate counsel, but it continued to represent the related entities. *Id.* Unlike LMA, the former client in *First Wisconsin* conceded that the work product at issue was not influenced by any of its confidences. Thus, the majority explained that it had “no particular quarrel with the test proposed by the dissent,” namely, “whether there exists a reasonable possibility of confidential information being used in the formation of, or being passed to substitute counsel through, the work product in question.” *Id.* at 209. Instead, the majority held that the former client failed to meet that test because it effectively conceded “that the preparation of the loan file summaries [which was the work product at issue] was not aided by any confidential information acquired by the Foley lawyers through their prior relationship with Trust.” *Id.* at 204, 209-10.

The facts of *Actel Corp. v QuickLogic Corp.*, No. C-94 20050 JW (PVT), 1996 U.S. Dist. LEXIS 11815 (N.D. Cal. Apr. 23, 1996), are also distinguishable. The law firm in that case was not disqualified because it switched sides at the outset of a lawsuit, but because midway through the suit, it mistakenly hired an attorney who had previously worked for opposing counsel’s firm. *Id.* at *2-3. In allowing the successor firm to obtain the disqualified firm’s files, the court appeared influenced by the fact that the disqualified law firm was longstanding counsel that had legitimately represented its client for more than two years, all before the conflict arose. *Id.* at *9. Because the conflict itself and the resulting disqualification in *Actel* occurred well into the case, the inability of successor counsel to obtain the disqualified firm’s work product would have prejudiced the truly innocent client. *Id.* at *32. But here, the conflict arose at the very outset, as soon as Finnegan switched sides and chose to represent Ambu. Unlike in *Actel*, here Finnegan generated all its work product *after* obtaining LMA’s confidential information. There was no lengthy pre-conflict period in which untainted work product was created, as in *Actel*. Thus, that case does not support allowing access to Finnegan’s work product that from day one was tainted by Finnegan’s knowledge of LMA’s confidential information.

1 The three other cases cited by Ambu to support a turnover order are all inapposite,
 2 because in none was it found that the disqualified lawyers had received confidences that
 3 related to the current representation. *See EEOC v. Orson H. Gygi Co.*, 749 F.2d 620, 622
 4 (10th Cir. 1984); *Levin*, 579 F.2d at 283; *Behunin v. Dow Chem. Co.*, 642 F. Supp. 870, 873-
 5 74 (D. Colo. 1986). In fact, in both *Levin* and *Orson H. Gygi*, the courts found that the former
 6 representations resulting in the lawyer's disqualification were *entirely unrelated* to their
 7 previous representations. *See* 579 F.2d at 283; 749 F. Supp. at 622. Thus, in all three of the
 8 cases there was absolutely no relevance to the information acquired by the disqualified
 9 lawyers in the previous representation that was potentially harmful to the wronged client in
 10 the subsequent representation. By contrast, here Finnegan received confidences from LMA
 11 relating to this very litigation – including information relating to the issues, claims, and
 12 defenses in the lawsuit and LMA's litigation and settlement strategies. In these
 13 circumstances, the Court properly barred Finnegan from turning over any and all work
 14 product to its successor firm.³

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 20 ³ Even if this Court did not adopt a rule prohibiting the turnover of any and all work
 21 product where the disqualified firm received confidential information from the opposing
 22 party in the same case, at a minimum, the moving party should bear the burden of
 23 demonstrating that the requested work product does not contain or reflect any confidential
 24 information. As the Texas Supreme Court explained in a case where attorneys were
 25 disqualified because they represented the client in a substantially related case, the trial court
 26 should not "turn[] over any item of work product unless the current client proves that there is
 27 not a substantial likelihood that an item of work product contains or reflects confidential
 28 information" *In re George*, 28 S.W.3d 511, 518 (Tex. 2000). The Texas court further held
 that "[t]his is a high burden, as it should be to faithfully preserve the former client's
 confidences" and that to the extent the trial court is "unsure," the material should not be
 turned over to successor counsel. *Id.* at 518-19. Ambu has completely failed to show a
 substantial likelihood that the requested work product does not contain or reveal confidential
 information obtained from LMA. To the contrary, as explained in the next section, the work
 product could very well have been influenced by LMA's confidences. Accordingly, even
 under the *In re George* standard, Fenwick would not be allowed to obtain Finnegan's work
 product.

1 **D. The Materials Sought By Ambu Are Plainly Finnegan's Work Product**

2 Ambu argues that the prior art and client documents it seeks are not work product
3 subject to the Disqualification Order because they are pre-existing documents and thus
4 "cannot have been improperly influenced by any previously disclosed LMA confidential
5 information" Mem. 3-5. That argument is specious for a number of reasons.

6 **1. A Collection of "Prior Art" is Work Product**

7 To begin with, Finnegan's collection of "prior art" documents – which represent the
8 fruits of Finnegan's research – are plainly work product that Fenwick should not see. Ambu
9 seeks "all third party documents in Finnegan's possession relating to prior art," which it
10 asserts "may include copies of patents, of third party product literature, or of scholarly
11 publications, all of which are inherently public in nature" Mem. 2. According to Ambu,
12 because all of the documents it seeks are "*prior art*" prepared by third parties (emphasis
13 Ambu's), the documents "cannot have been influenced" by any of LMA's confidential
14 information and thus do not constitute work product within the meaning of the Court's Order.
15 Mem. 4-5.

16 Ambu's argument misses the point. It is not the prior art documents themselves that
17 constitute work product and are likely to have been influenced by LMA's confidential
18 information, but Finnegan's selection of them. Prior art searches conducted in anticipation of
19 litigation unquestionably reflect the legal theories and conclusions of counsel. Conducting
20 effective prior art searches necessarily requires strategic input from the counsel conducting
21 the search. In any given field, the prior art can encompass numerous documents and things,
22 including commercial products, issued patents, and published literature such as journal
23 articles. *See* 35 U.S.C. § 102. Prior art searching is primarily conducted by reviewing
24 documents on-line, and by sifting through hard copies of patents and publications in libraries.
25 Efficiently culling this wide universe of documents down to the most relevant few requires
26 the searcher to identify the most important issues in the litigation and target the search based
27 on those issues. Thus, prior art searching is analogous to legal research, which also requires
28 targeted searches based on the attorney's legal analysis of the facts and issues in the case.

1 Many cases may be reviewed, but the handful of publicly available authorities which the
 2 attorney chooses to photocopy or reference in a legal research memorandum unquestionably
 3 comprise the attorney's work product based on her legal theory and analysis of the case.

4 Because prior art searches are necessarily based on and reflect an attorney's mental
 5 impressions and legal theories, courts have consistently held that the results of prior art
 6 searches conducted in anticipation of litigation qualify as opinion work product. *See*
 7 *Fresenius Med. Care Holding Inc. v. Baxter Int'l, Inc.*, 224 F.R.D. 644, 655 (N.D. Cal. 2004)
 8 (finding "prior art that it has collected since the start of this litigation" is protected by work
 9 product immunity); *Sawgrass Sys. Inc. v. BASF Aktiengesellschaft*, 1999 WL 358681, 50
 10 U.S.P.Q.2d 1687, 1689-91 (E.D. Mich. 1999) (rejecting plaintiff's argument that "the
 11 information concerning prior art is, by its very nature, publicly available, and thus not subject
 12 to the work product doctrine"); *Applied Telematics, Inc. v. Sprint Commc'n Co., L.P.*, Civ. A.
 13 No. 94-4603, 1996 WL 539595, at *8 (E.D. Pa. 1996) (compilation of "several prior art
 14 patents" were entitled to protection of the work product doctrine); *Burroughs Wellcome Co.*
 15 *v. Barr Labs., Inc.*, 143 F.R.D. 611, 624 (E.D.N.C. 1992) (the "printed results of database
 16 searches" were protected by the attorney work product privilege); *Golden Trade, S.r.L. v.*
 17 *Jordache*, 143 F.R.D. 508, 511-12 (S.D.N.Y. 1992) ("identification of items embodied in the
 18 prior-art search" constituted protected work product).⁴

19 Accordingly, despite their "public" nature, the fruits of Finnegan's prior art searches
 20 are clearly work product to which Ambu's successor firm should not be entitled. Those
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22 ⁴ None of the three cases cited by Ambu support a contrary conclusion. *See* Mem. 4-5
 23 (citing *Visa U.S.A., Inc. v. First Data Corp.*, Case No. C-12-1786, 2004 U.S. Dist. LEXIS
 24 17117, *27-29 (N.D. Cal. Aug. 23, 2004), *U.S. ex rel. Bagley v. TRW, Inc.*, 212 F.R.D. 554,
 25 563-64 (C.D. Cal. 2003), and *Brown v. Hart, Schaffner & Marx*, 96 F.R.D. 64, 68 (N.D. Ill.
 26 1982)). *Visa* and *Brown* stand only for the proposition that mere review by an attorney does
 27 not turn a business document into work product. And *Bagley* in fact supports LMA's position,
 28 as the court specifically recognized that "the selection of documents does convey information
 about an attorney's mental impressions or strategy pertaining to a case, and therefore
 constitutes opinion work product." *See* 212 F.R.D. at 563-64. Although the *Bagley* court
 allowed defendants to obtain certain pre-existing documents, it did so because the documents
 were not at issue, since plaintiffs had already disclosed those documents to the defendants.
See id. at 563.

1 searches specifically related to and were prepared in anticipation of this specific litigation,
2 and thus could have been influenced by the confidential information Finnegan received from
3 LMA regarding the issues, claims, and defenses in this case. *See* Order at 10 (LMA “revealed
4 confidential information concerning the subjects of . . . claim construction in relation to the
5 theory of their case . . . and . . . the Finnegan lawyers provided strategic legal advice on how
6 to proceed on those topics.”). Because the results of Finnegan’s prior art searches were based
7 on Finnegan’s mental impressions and legal theories of this case, which in turn could have
8 been influenced by the confidential information it obtained from LMA, Ambu’s successor
9 counsel should not be entitled to those searches. *See, e.g., EZ Paints Corp., 746 F.2d at 1463*
10 (noting the “significant danger that work product prepared after [the disqualified attorneys’
11 appearance] contains confidences”); *Quark*, 812 F. Supp. at 180 (confidential information
12 “necessarily seeps into the work-product” of an attorney).

13 **2. A Collection of Client Documents is Also Work Product**

14 Like prior art searches, the selection and compilation of client documents by Finnegan
15 in preparation for this litigation constitute work product of the Finnegan firm. Ambu broadly
16 defines “client documents” as “all Ambu client documents provided to Finnegan for this
17 case.” Mem. 1; *see also* Mem. 3 (requesting that the Court allow Fenwick “to obtain from
18 Finnegan all of the clients’ documents that Finnegan has assembled and collected from the
19 clients”). Given the breadth and vagueness of Ambu’s definition of “client” documents, it is
20 impossible to determine the extent to which they would reveal confidential information to
21 Fenwick. For example, it is not clear whether the documents all pre-date Finnegan’s
22 involvement in this case or whether they include documents between Finnegan and Ambu
23 that specifically relate to this case. Even if the documents all pre-dated Finnegan’s
24 involvement in this case, however, their selection and compilation by Finnegan constitute
25 work product to which Fenwick should not be entitled.

26 Courts have consistently recognized that counsel’s selection and compilation of a
27 client’s documents can reveal his or her mental impressions and legal theories regarding the
28 anticipated litigation and therefore constitute protected work product. *See In re Allen*, 106

1 F.3d 582, 608 (4th Cir. 1996) (“[attorney’s] selection and compilation of these particular
2 documents reveals her thought processes and theories regarding this litigation”); *Sporck v.*
3 *Peil*, 759 F.2d 312, 316 (3d Cir. 1985) (“We believe that the selection and compilation of
4 documents by counsel in this case in preparation for pretrial discovery falls within the highly-
5 protected category of opinion work product.”); *United States ex rel. Bagley v. TRW Inc.*, 212
6 F.R.D. 554, 564 (C.D. Cal. 2003) (“the selection of documents does convey information
7 about an attorney’s mental impressions or strategy pertaining to a case, and therefore
8 constitutes opinion work product”); *James Julian, Inc. v. Raytheon, Co.*, 93 F.R.D. 138, 144
9 (D. Del. 1982) (binder of documents selected by counsel was protected from disclosure
10 because “the process of selection and distillation is often more critical than pure legal
11 research”); *see also* RESTATEMENT (THIRD) OF LAW GOVERNING LAWYERS § 87 cmt. f (2000)
12 (“[t]he selection or arrangement of documents that are not themselves protected” can “reflect
13 mental impressions and legal opinions inherent in making a selection or arrangement”). Thus,
14 “a lawyer’s index of a client’s preexisting and discoverable business files will itself be work
15 product if prepared in anticipation of litigation.” RESTATEMENT at § 87 cmt. f.

16 In this case, Finnegan’s requests for documents from Ambu, as well as its compilation
17 of certain documents in groups, could very well have been influenced by LMA’s confidential
18 information. In requesting specific documents, Finnegan necessarily exercised judgment
19 based on its theories and strategies regarding the case. There is a substantial risk that the
20 strategies and theories relied upon by Finnegan in requesting the documents were influenced
21 by the confidential information provided by LMA. Permitting Ambu’s new counsel to obtain
22 the documents selected and compiled by Finnegan thus risks communicating LMA’s
23 confidential information to Ambu’s new counsel. Accordingly, Finnegan’s selection and
24 compilation of client documents constitute work product to which Ambu’s successor counsel
25 should not be entitled.

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1 **E. Ambu Has Failed To Demonstrate Any Compelling Need For The Requested**
2 **Work Product**

3 As demonstrated above, where, as here, a law firm is disqualified because it received
4 confidential information from the opposing party in the very same case, a quarantine of
5 potentially infected work product is necessary to protect the former client's confidences.
6 Even if the disqualified law firm's later client could show special circumstances to obtain
7 quarantined work product, Ambu has failed to make any showing that justifies access to
8 Finnegan's work product here.

9 To begin with, Ambu has failed to demonstrate any need to obtain the prior art
10 searches conducted by Finnegan. By its very definition, prior art is publicly available material
11 that can be located through traditional search methods. *See* 35 U.S.C. §102. Ambu itself
12 characterizes the prior art it seeks as "inherently public in nature." Mem. 2. As a result,
13 Fenwick "should have no problem obtaining the information through its own prior art
14 search." *Sawgrass*, 50 U.S.P.Q.2d at 1690. Indeed, LMA has recently decided to drop one of
15 the two original patents-in-suit from the litigation, substantially simplifying the matter for
16 Ambu. While Ambu claims that "not having to search for [the prior art] and gather it anew
17 will save considerable expense," it fails to provide any evidentiary support for that assertion
18 such as a client declaration establishing the volume of prior art Finnegan compiled and how
19 much it cost to develop. Mem. 4.

20 Nor has Ambu shown that it has any need for Finnegan to provide Fenwick with the
21 client documents that Finnegan marshaled for use against LMA. Ambu merely asserts in
22 conclusory fashion that it "needs" the documents "in order to comply with its discovery
23 obligations." Mem. 3. But Ambu never explains why its successor counsel cannot do its own
24 document search and obtain any documents it needs directly from Ambu. Ambu does not
25 represent that it gave Finnegan originals of any of the documents it now seeks. And Ambu
26 provides no client declaration quantifying the burden of recopying the documents. Thus,

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1 Ambu has failed to demonstrate that it would suffer any substantial hardship from denying
2 Fenwick access to the documents.⁵

3 Accordingly, even if need could justify turnover of a tainted firm's work product,
4 Ambu has failed to show any compelling need to obtain Finnegan's work product. Indeed,
5 any burden on Ambu is likely to be minimal, given that this litigation is at its beginning
6 stages, discovery has not even begun, and the Magistrate Judge gave successor counsel
7 almost the entire 90-day extension that Ambu requested as additional time to prepare for the
8 case. The extension provides Ambu's new counsel more than enough time to gather client
9 documents, conduct a thorough prior art search and prepare its defenses. Indeed, the time
10 granted by the extension, combined with the additional time Ambu's new counsel has already
11 received as a result of the Disqualification Order, *exceeds the time a defendant normally has*
12 *to answer a complaint and prepare for an ENE Conference*. What is more, there is no need or
13 reason for Fenwick to have all its prior art searches or its client's document production
14 completed by the time of the ENE Conference.

15 **F. Ambu Ignores The Substantial Harms Already Suffered By LMA As A Result Of**
16 **Finnegan's Conflict Of Interest**

17 While Ambu claims that it is unfair to "burden[] [it] when it is not at fault for
18 Finnegan's conduct" (Mem. 5), that plea is wholly unsupported and ignores the undisputed

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20 ⁵ Notably, the federal courts routinely refuse to allow parties to rely on conclusory
21 assertions to support claims of discovery burden, but instead require detailed evidentiary
22 proof. *See, e.g., Thomas v. Hickman*, No. 1:06-cv-215, 2007 WL 4302974, at *6 (E.D. Cal.
23 Dec. 6, 2007) ("The objecting entity must state specifically how, despite the broad and liberal
24 construction of federal discovery rules, each question is overly broad, unduly burdensome, or
25 oppressive by submitting affidavits or offering evidence revealing the nature of the burden");
26 *Columbia Pictures Indus., Inc. v. Bunnell*, No. CV 06-1093 FMC(JCx), 2007 WL 4916964, at
27 *5 (C.D. Cal. May 3, 2007) ("general or boilerplate objections such as 'overly burdensome
28 and harassing' are improper-especially when a party fails to submit any evidentiary
declarations supporting such objections"); *Micron Tech., Inc. v. Tessera, Inc.*, No. C06-80093
Misc. JW (HRL), 2006 WL 1646132, at *2 (N.D. Cal. June 14, 2006) ("Bald statements of
counsel that a subpoena is unduly burdensome, unsupported by affidavits or evidence, are
unhelpful."); *Holmes v. Teer*, No. CIV S-04-1308DFLPANP, 2006 WL 1550201, at *2 (E.D.
Cal. May 31, 2006) ("Federal courts reject claims of burdensomeness which are not
supported by a specific, detailed showing, usually by affidavit, of why weighing the need for
discovery against the burden it will impose permits the conclusion that court should not allow
it.").

1 prejudice to LMA. To begin with, it is not so clear how “innocent” Ambu actually is. This is
2 not a case of a new attorney joining Finnegan and tainting the whole firm unbeknownst to the
3 hapless client. Finnegan switched sides, and it is very possible that Ambu was informed of
4 Finnegan’s consultation with LMA – and thus knew of the possible disqualification risks –
5 from the very beginning. Ambu provided no declaration on this point. Additionally, to the
6 extent that Finnegan engaged in substantial work prior to the filing of the complaint, that
7 work likely benefited not only from LMA’s confidences but from Finnegan’s knowledge that
8 LMA was planning to sue imminently. Thus, the Disqualification Order merely prevents the
9 unfair advantage and unjust enrichment Ambu obtained as a result of Finnegan’s consultation
10 with LMA. To the extent that Ambu is forced to incur additional expenses in re-doing
11 Finnegan’s work, it can take up that matter with Finnegan.

12 By contrast, LMA is a completely innocent party and has suffered substantial
13 prejudice as a result of Finnegan’s representation of Ambu. In addition to the risk that its
14 confidential information has been used against it, LMA has been forced to expend
15 considerable attorneys’ fees (for which it has not been reimbursed) as a result of the
16 disqualification litigation. LMA has also suffered a substantial delay in its case. LMA filed
17 this lawsuit on October 15, 2007. Almost six months later, the parties have yet to establish
18 even a discovery schedule. Instead, LMA has had to engage in a lengthy process to disqualify
19 Ambu’s conflicted counsel during which time Ambu has continued to harm LMA in the
20 marketplace by infringing LMA’s patent. LMA should not be forced to expend any more time
21 or expense litigating the disqualification issues, including the satellite work product issues.
22 Indeed, Ambu’s memorandum suggests that this may not be its last word on the subject. *See*
23 *Mem. 2* (asserting that “Ambu is not *at this time* asking for prior counsel’s analysis of such
24 material”) (emphasis added).

25 In sum, any inconvenience or expense that Ambu might incur by having to redo its
26 conflicted counsel’s work product is outweighed by the need to protect LMA’s confidences
27 and ensure that Ambu does not obtain an unjust advantage from the use of such confidences.

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IV. CONCLUSION

Based on the foregoing, Ambu's motion for "clarification" of the Disqualification Order to allow Finnegan to share its work product with Fenwick should be denied in its entirety.

Respectfully submitted,

KNOBBE, MARTENS, OLSON & BEAR, LLP

Dated: April 4, 2008

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CERTIFICATE OF SERVICE

I hereby certify that on April 4, 2008, I caused the foregoing **PLAINTIFFS' OPPOSITION TO AMBU'S MOTION FOR CLARIFICATION OF ORDER GRANTING PLAINTIFFS' MOTION TO DISQUALIFY FINNEGAN HENDERSON FARABOW GARRETT & DUNNER, LLP AS DEFENDANTS' COUNSEL** to be electronically filed with the Clerk of the Court using the CM/ECF system which will send electronic notification of such filing to the applicable registered filing users.

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I declare that I am employed in the office of a member of the bar of this Court at whose direction the service was made.

Dated: April 4, 2008


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